

Inspector General Institute
Minutes of the Board of Governors Meeting
January 23, 2006

1. The IG Institute's Board of Governors met on January 23, 2006 (1 pm) at the Institute's classrooms, 1735 North Lynn Street, Rosslyn, VA.
2. Attendees were:
 - Robert Emmons, BOG Chairman, IG, Pension Benefit Guaranty Corp (HR Committee)
 - David Williams, IG, US Postal Service (Investigations Committee)
 - Kenneth Konz, IG, Corporation for Public Broadcasting (Audit Committee)
 - Dennis Schindel, Deputy IG, Dept of Treasury (Audit Committee)
 - Stephen Lawrence, Board Secretary
 - Tom Sharkey, Acting Executive Director, IG Institute
 - A. Lee Fritschler, Professor at School of Public Policy, George Mason University
 - James Finkelstein, Associate Dean of School of Public Policy, George Mason University
3. Chairman of the Board of Governors, Mr. Emmons, announced that a quorum existed and opened the meeting.
4. Mr. Emmons introduced Paul C. Curtis, CPA, Director of Financial Audits for the Office of Inspector General, Environmental Protection Agency, Washington DC. Mr. Curtis will act as the Auditor-in-Charge (AIC) for the engagement team being assembled by the Institute to examine the financial records of the previously three independent schools now unified as the IG Institute. Mr. Curtis recommended that Agreed-Upon-Procedures be conducted rather than a full scope financial audit of each school's financial records. At a minimum he recommended that the fund balances be reconciled. Mr Curtis further agreed to outline an engagement letter for an agreed upon procedures engagement and submit it to Mr. Schindel. The Inspections and Evaluations Committee assigned Chris Rose to the team. Mr. Williams will secure an auditor from the Investigations Committee and Mr. Schindel will secure an auditor from the Audit Committee to serve on the Agreed upon procedures team.
5. Mr. Sharkey provided a status briefing on transition and identified a variety of management and administrative issues (outline is at Attachment #1)
6. Dr. Finkelstein and Dr. Fritschler addressed the Board regarding strategic and organizational support that George Mason University's School of Public Policy can offer. The School of Public Policy has an existing contract to provide such services to the IG Institute.

7. The following actions were completed by the Board of Governors:

- Minutes of the December 30, 2005, BOG meeting were accepted and approved.
- The BOG authorized an agreed upon procedures engagement to verify fund balances of the three formerly independent schools that now constitute the IG Institute. Mr. Schindel agreed to sign the engagement letter and monitor the overall progress of the engagement on behalf of the BOG.
- The Institute's Acting Executive Director recommended and the BOG approved changing the Institute's name from *Inspector General Training Institute*, as stated in the Institute's business plan, to *Inspector General Institute*, as has been commonly used since establishment.
- The BOG agreed to retain the name of the *Investigative Services and Forensic Analysts School*, as previously adopted in the Institute's business plan, and did not approve adding *Criminal* to the school's name. There are members of the IG community whose job classification (1810) make them investigators, but not criminal investigators.
- The Board directed Mr. Sharkey to propose shorter names for the three schools that comprise the IG Institute. The Board finds the current names (Management, Mission Support and Legal School; Audit and Inspection School; and Investigative Services and Forensic Analysts School) to be unwieldy and impractical for everyday use.
- The Board discussed a concern raised by legal counsel and the contracting officer concerned appointing a non-government employee to directly supervise government employees. To address this issue, the Board revised the approach agreed to at the 30 December meeting will revise the task order to identify Dr. A. Lee Fritschler as a consultant to the Board of Governors, rather than as Executive Director. The task order under the existing contract with George Mason University's School of Public Policy will specify that he will assist the Board in developing the business strategy for operating the IG Institute and hiring the Executive Director. Lee Fritschler will report directly to the BOG. The \$100,000 in the Institute's budget is authorized to cover the expense through the end of FY 2006.
- The BOG authorized Lee Fritschler unfettered access to records and personnel of the IG Institute that are not related to contracts. The BOG directs the Acting Executive Director to establish an operations team comprised of the Acting Executive Director, Directors, Deputy Directors and Administrative staff will disclose information and keep Dr. Fritschler timely informed of matters.

8. Mr. Sharkey, Dr. Fritschler and Dr. Finkelstein departed, and Mr. Emmons called the BOG into Executive Session. It was agreed that:

- Request the PCIE/ECIE Audit Committee to replace IGATI Status Report as a standing agenda item with the IG Institute Status Report.

- Each of the Institute's schools will have a Director and Deputy Director, rather than 2 Directors as stated in the business plan.
- The Institute's audit school has already scheduled 2 additional tuition-free introductory courses to meet unanticipated demand. It was agreed Mr. Williams would approach the IGs whose student enrollment is significantly higher than projected requirements if actual registrations exceed available seats for the six scheduled classes. The Institute would either defer classes to the following fiscal year or add additional classes if the IG with additional requirements are willing to pay for them.
- A series of "to do" items were established for the Acting Executive Director:
 - Prepare position descriptions for Executive Director, Directors, Deputy Directors and all Administrative positions at the IG Institute.
 - Develop and submit a briefing paper regarding position appointment duration when an individual is assigned to an "acting" position, such as Acting Executive Director and Directors.
 - Prepare and submit a plan to build down the IG Institute's overstaffing so that overstaffing is eliminated by end of FY 2006.
 - Develop and submit an enrollment policy for the Institute's tuition-free introductory courses to prevent enrollment domination by a few IG offices.
 - Develop a cancellation policy that specifically includes the Institute's tuition-free introductory courses when an IG office cancels student enrollment.
 - Identify administrative functions, and present options for outsourcing all or a portion of the Institute's administrative functions.
 - Develop and submit a briefing paper on the need and use of facilitators in the Investigation courses.
- The Board decided that the Agreed-Upon-Procedures engagement will include proposal(s) from Mr. Curtis to integrate the schools' separate accounting systems into one system.
- The exact legal status of the IG Institute is a source of concern. The Institute operates under the Training Act. Mr. Schindel will explore the legal status further vis-à-vis the procedure that established IGATI. Mr. Williams will explore avenues of legal status with the Office of Government Affairs.
- A Charter for the Board of Governors was unanimously approved (see Attachment #2).

9. Mr. Emmons adjourned the meeting at 4.15 pm. The next scheduled BOG meeting is February 27, 2006, 1 pm to 4 pm, at the IG Institute.

**Inspector General Institute
Briefing to the Board of Governors**

January 23, 2006

**Business Plan Revisions
Identity**

- “IG Institute”, not IG Training Institute
 - Add “Criminal” to Investigative school
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Staffing

- GMU Advisor
 - Appropriate Title of GMU Faculty in the Interim
 - Potential conflicts of Interest such as access to competitors rates
 - Contract Responsibilities
 - Relationship to Directors and Operations Team
 - Operations Team (5)
 - Four in VA, One in GA, no revision
 - Directors (6)
 - Under plan each school gets Director, Basic and Director, Specialized
 - Confirm: Revision to Director and Deputy structure for each school
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FY06 to FY07 Staffing Gaps

- Audit and Inspections School:
 - Needs Deputy Director
 - Investigative Services and Forensic Analysts School:
 - Is Deputy Position in VA or GA?
 - Rotation after 120 days if not filled
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Legal/Policy Issues

- Revising the requirements of current law related to IGCI and IGATI
 - Should BOG have its own COTR for contract with GMU?
 - Policy for contractor work through GMU?
 - Criteria to use GMU contract to employ:
 - New Instructors/companies
 - Incumbent Instructors/companies
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Mgt. Structure Issues

- Does contracted Executive Director and Directors raise issues of Pay Parity, Reporting Relationships, T&A Policies, Performance Standards, etc.?
 - Directors recommend government managers and staff and use contractors for:
 - Setting strategic direction
 - Curriculum Review
 - Academic Advisement
 - Course Development
 - Instructors
 - Administrative support
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HR Issues

- All positions should be competed
 - Authority to hire with BOG approval
 - Director/Deputy Director positions
 - Titles
 - Grade Levels
 - Position Descriptions
 - Selection panel
 - Timing
 - Staff Builddown: Placement/return of current staff (Audit & Investigations)
 - Relocation cost
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Allocation of Basic Slots

Consolidation of Training Allocation and Training Officer Open House

- E-mail from Chairman to IG's requesting consolidated response with single or specialized POC's
 - Invite to Open House February 16
 - Request Greg Friedman to make opening remarks at Open House
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Other Issues

Resources Issues

- Resource to do Budget and Accounting
- Resource for IT support

Quality and Marketing Issues

- IG community competencies standards
- Class quality: Curriculum review to ready FY07 offerings
- Investigation school use of contractors and facilitators
- Direct and indirect marketing: Logo for IGI
- Management school outreach and new specialized courses

CHARTER
BOARD OF GOVERNORS
INSPECTOR GENERAL INSTITUTE
January 23, 2006

- A. **Official Designation:** The Inspector General Institute (the Institute) Board of Governors (the Board)
- B. **Objective and Scope:** The President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) established the Board to act on behalf of the Inspector General community to provide effective governance over the Institute's affairs, and to oversee the management and operations of the Institute.
- C. **Board Membership:** The Board shall be comprised of six members with a term of not more than four years.
- a. Members. Members will be appointed to represent PCIE/ECIE committees as follows:
 - Two members appointed by the Audit Committee
 - Two members appointed by the Investigations Committee
 - One member appointed by the Human Resources Committee
 - One member appointed by the Inspections and Evaluations Committee
 - b. Appointments. Vacancies will be staggered to minimize disruptions. The Chairman will request the appointment of members from the appropriate committee for a four-year period when there a member's term ends or for unexpired terms.
 - c. Quorum. Three Board members are needed for a quorum and Board actions require a simple majority of members attending a meeting. Attendance by phone is permitted, but members may not delegate their vote.
- D. **Duties and Responsibilities:**
- a. Board of Governors. The Board shall provide general oversight of Institute operations under the management of the Executive Director. The Board will be responsible for the following tasks and actions in fulfilling its general oversight responsibilities:
 - Ensuring responsible governance;
 - Overseeing the affairs, assets and funds;

- Approving policy, goals and programs;
- Approving operating budgets and business plans;
- Approving contracts greater than \$15,000 and agreements with other organizations;
- Approving and coordinating fee assessment and collection;
- Approving major capital expenditures;
- Selecting and terminating the employment of the Executive Director
- Evaluating the performance and determining compensation for the Executive Director;
- Approving the selection of senior managers recommended by the Executive Director;
- Approving job descriptions of the Executive Director and senior managers;
- Review major organizational and staffing changes;
- Approving compensation of Institute employees;
- Monitoring financial results;
- Ensuring compliance with laws and regulations;
- Ensuring that appropriate policies and procedures are in place to manage risks and internal control;
- Arranging for annual audits of financial records; and
- Monitoring corrective actions of the Executive Director in response to audit reports.

b. Chairman. The Board will elect or reappoint a Chairman every two years that is responsible for:

- Representing the Board as an Ex-Officio member of the Executive Committee of the PCIE/ECIE.
- Scheduling not less than 4 meetings each year;
- Developing and distributing agendas for Board meetings;
- Recording proceedings and distributing minutes to Board members for approval at the next meeting;
- Keeping the IG Community informed of programs and activities of the Institute; and
- Establishing working groups to examine specific areas of interest or accomplish specific tasks. These working groups will report their findings and recommendations to the entire Board.

E. **Board Authorities:** The Board will be independent from the Institute's management and will have the following authorities:

- a. Operating management will be excused from meetings for any agenda items reserved for discussion by the Board only.
- b. Full and free access to employees and records of the institute.

- c. Engaging outside advisors with Institute funds as they deem appropriate.
- F. **Delegations:** The Board delegates responsibility for day-to-day management to the Executive Director subject to the limits in this charter. However, the Institute's Executive Director must consult with the Board on matters that are sensitive, extraordinary, or of a strategic nature.
- G. **Annual Reviews:** The Board will evaluate its performance each year and revise the charter as necessary.